



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

2013 Competitive
Application Guidelines



**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**
Partners for Better Communities

2013 CDBG COMPETITIVE GRANT REQUEST FOR PROPOSALS

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INTRODUCTION

The Virginia Community Development Block Grant (CDBG) Program provides funding to eligible units of local government to address critical community development needs, including housing, infrastructure, and economic development. This Program has been administered by the Virginia Department of Housing and Community Development (DHCD) since 1982. CDBG funds are made available to DHCD by the U.S. Department of Housing and Urban Development (HUD).

CDBG Community Improvement Grants (CIGs) are designed to aid those communities with the greatest community development needs in implementing projects which will most directly address these needs while maximizing citizen participation. All CDBG projects must target at least one of the three national objectives:

- 1) *Give maximum feasible priority to activities which will benefit low- and moderate-income families,*
- 2) *Aid in the prevention or elimination of slums and blight, and*
- 3) *May also include activities which are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the community.*

There are five types of CIG assistance:

- Competitive Grants,
- Community Development Innovation Fund Grants,
- Community Economic Development Fund Grants,
- Construction-Ready Water and Sewer Fund Grants, and
- Urgent Need Open Submission Grants

Questions regarding Competitive Grant proposal development or about this RFP should be directed to:

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CDBG PROGRAM DESIGN

This Request for Proposals and all other guidance on CDBG proposal development must be used in conjunction with the 2013 CDBG Program Design. The Program Design is the final statement of Virginia's community development objectives, its projected use of funds, its method of fund distribution to local governments, and to present the core CDBG elements for the Virginia Consolidated Plan.

In revising this RFP to make it shorter and more efficient efforts have been made to eliminate repeated language in the Program Design and the RFP. It is critical that applicants utilize the Program Design to gain an understanding of the requirements of the CDBG program. The 2013 CDBG Program Design is available at the following link: [CDBG Program page](#).

In the ATTACHMENTS tab you will also find a FORMS zip file containing both required and sample documents, along with an ALL ATTACHMENTS document which further explains each of the documents in the Zip file.

If you have any questions about what elements are required as part of your submission, please get in touch.

INSTRUCTIONS FOR COMPLETION

Please note that applications must now be submitted electronically through the Agency's Centralized Application and Management System (CAMS). To access CAMS, visit the website at www.dhcd.virginia.gov and click on the CAMS icon in the upper-right hand corner. You may then create a locality profile, add staff members, and access the CDBG Planning Grant program using the APPLY button. **Internet Explorer is the recommended browser for CAMS.** Remember to SAVE often.

In the ATTACHMENTS tab you will also find a FORMS zip file containing both required and sample documents, along with an ALL ATTACHMENTS document which further explains each of the documents in the Zip file.

You are strongly encouraged to create an organizational profile early in the process.

SUBMISSION REQUIREMENTS

All Competitive Grant proposals and supporting information must be submitted to the Department of Housing and Community Development (DHCD) by **5:00 PM on MARCH 27, 2013**. Proposals not submitted accordingly may be disqualified. Proposals must be submitted through CAMS.

All applicants must submit completed responses to all appropriate Project Type questions and include all required attachments. The project type specific questions must be fully completed for the project type or types included in the proposal.

PROJECT TYPES

There are five general project types under the Competitive Grant program:

- **Comprehensive Community Development,**
- **Economic Development,**
- **Housing, (Rehabilitation and Production)**
- **Community Facility, and**
- **Community Service Facility.**

Each Competitive Grant proposal must target at least one project type with all activities meeting a CDBG National Objective. The total amount of funding available for Competitive Grants in

2013 is expected to be approximately \$9,638,794 (please note this amount will be reduced at the time funding decisions are made to provide funds for previously awarded multi-year projects).

For detailed information on each project type please see the 2013 CDBG Program Design, available at the following link: [CDBG Program page](#).

PROJECT BUDGET

The following information provides guidance on Competitive Grant costs in general and how these costs are to be reflected in the project budget:

The budget must clearly show the activities where CDBG funds will be applied and the amount applied to each activity. If other DHCD funds are involved in the project, they must be broken out into separate column that identifies the funding source.

It is critical that cost estimates be very current. Housing rehabilitation costs must be based on walk-through inspections.

INTERIM ASSISTANCE

This category includes the costs of temporary assistance to alleviate harmful conditions in an area where immediate public action is necessary. Comprehensive Community Development or Housing Rehabilitation proposals

ECONOMIC DEVELOPMENT

Private investment in Job Creation /Retention projects should be shown as a product. For Business District Revitalization, façade improvements, streetscaping, microloans and individual property acquisition should be shown as separate products.

HOUSING

In Housing Rehabilitation projects, owner-occupied rehabilitation, investor-owner rehabilitation and substantial reconstruction should be shown as separate products. In Housing Production projects, site improvements, infrastructure, and housing construction should be shown as separate products.

COMMUNITY FACILITY

For water and sewer projects, plant improvements, lines , and connection should be shown as separate products.

PROJECT LINE ITEMS

The following is an overview of eligible cost categories. Localities are encouraged to contact DHCD for guidance on cost eligibility

ADMINISTRATIVE COSTS

CDBG funding may be used to cover administrative costs in Community Improvement Grants of all types. CDBG-eligible administrative costs are limited to 10 percent of the total CDBG award with limits depending upon project type. Such costs are limited to:

Project Type	Up to
Community Facility—Competitive Grant	\$ 75,000
Business District Revitalization—Competitive Grant	\$ 80,000
Community Service Facility—Competitive Grant	\$ 60,000
Community Development Innovation Fund	\$ 60,000

Community Economic Development Fund and Competitive Economic Development Grants	\$ 50,000
Urgent Need	\$ 50,000
Housing—Competitive Grant	\$ 80,000
Two-Activity Comprehensive—Competitive Grant	\$ 80,000
Three-Activity Comprehensive—Competitive Grant	\$100,000
Construction-Ready Water and Sewer Fund	\$ 20,000

Administrative cost targets may be modified during contract negotiations. CDBG funding generally may not be used for administrative costs in Planning Grant projects unless the locality receiving the Planning Grant award has never received prior CDBG assistance.

Exceedingly complex projects that involve the significant leveraging of private funds and merit on-going professional project management skills may be eligible for an additional administrative line-item, separate from the CDBG administration limit, to support the cost of these contractors.

ARCHITECTURAL AND ENGINEER/DESIGN COSTS

This includes the costs of completing the final design of engineered physical improvements. CDBG participation in engineering fees is determined using the fee schedule, which can be found in the SAMPLE FORMS download.

PROJECT INSPECTION COSTS

This includes the costs of inspecting the construction of physical improvements and is determined using the fee schedule, which can be found in the SAMPLE FORMS download.

ACQUISITION COSTS

This includes the costs of acquiring real property, including easements and fee simple purchases. Eligible costs include those required in adhering to the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Acquisition costs related to utility easements should be included in the water or sewer budget category.

RELOCATION COSTS

This includes the costs of relocation payments and assistance for displaced individuals, families and businesses. Eligibility is generally determined by the Uniform Act.

DISPOSITION COSTS

This Category includes the cost of disposition through sale, lease or donation of real property and temporary management of property.

DEMOLITION/CLEARANCE COSTS

This category includes the costs of demolition, clearance, or removal of buildings or other improvements.

CONSTRUCTION/IMPLEMENTATION COSTS

This category includes the costs of construction, reconstruction, rehabilitation, or installation of improvements of facilities and/or direct costs of delivering a service. Proposals with the most current cost estimates will be in a more credible position.

OTHER COSTS

This category includes costs specific to a particular project or project type, such as Home Maintenance and Education Training in projects with housing rehab activities. You may also use this to create a new project activity label for if an appropriate one cannot be identified.

LEVERAGE

Local Match (actual or in-kind), which generally originates from an applicant locality, for design and construction activities and some supporting activities may be counted if expended on or after July 1, 2011. **Non-local Match** for design and construction activities may be counted if expended on or after July 1, 2012.

ATTACHMENTS

Include supporting documentation, maps, letters of commitment and support, demand / market studies, surveys and survey results, engineering or architectural studies, inspection or write-up information, ability to pay calculations, and other information needed to show the need and demand for your project. Also note there are certain required attachments.

You may zip these files and attach. The attachment limit is 2 gigabytes per attachment. If you have difficulty please contact DHCD to discuss alternatives.

In the ATTACHMENTS tab you will also find a FORMS zip file containing both required and sample documents, along with an ALL ATTACHMENTS document which further explains each of the documents in the Zip file.

1) SOURCES BUDGET

The amounts listed in this budget must be consistent with those from other sections in the application and from supporting documents, such as the Local Government Resolution. Specify each source of local funds, whether general revenue, bonds, loans or otherwise. Include a dollar amount for in-kind contributions where possible.

Use the CDBG Sources template in the FORMS file, found in the ATTACHMENT tab.

2) DERIVATION OF COSTS WORKSHEET

Provide detailed information on the costs of the proposed project. List, at a minimum, each product and its component cost elements. Preferably, list the cost elements of the components as well, showing itemization by line item or unit cost. Provide the total cost of each item and identify the CDGB and non-CDGB portions of each. It is critical that cost estimates be very current. Provide detailed information on the source of the cost estimate and the date that estimate was provided. Housing rehabilitation costs must be based on walk-through inspections.

Use the CDBG Derivation of Cost template in the FORMS file, found in the ATTACHMENT tab

3A) LOW AND MODERATE INCOME BENEFIT PROJECTS

Using the Beneficiary Data table in the FORMS file, found in the ATTACHMENT tab, please fill in the results of your neighborhood or project area survey. This is required for all projects seeking LMI benefit. Please attach a copy of the survey instrument and results summary.

For Comprehensive, Housing, Community Facility and Economic Development Job Creation projects use the Benefits Chart for your project per the instructions.

For **Community Service Facility or other projects that do not fit the specifications in the chart** (i.e. target a broad service area), please specify in the chart per the instructions the number of people and households to receive measurable benefit; do not include those that receive passive benefit like recreation, general training, etc. List each expected service separately. Keep in mind *LMI Benefit is based on unduplicated count of users (persons) and not on number of visits.*

3B) SLUM AND BLIGHT ELIMINATION PROJECTS

Please fill in the following Project Area Summary table using the Beneficiary Data table in FORMS file, found in the ATTACHMENT tab, with information for your project area and attach a copy of the assessment tool.

4) CENSUS INFORMATION AND COMPLIANCE CHART

Using the 2010 Census, please list the Census tracts for the area(s) to be served. If the area includes entire Census tracts, *do not* list individual block groups within such tracts. If the service area contains less than the total Census tract, you must enter the block groups covered by the service area. Follow this link for [2010 Reference Maps for Virginia Census Tracts.](#)

For all projects please fill out the Compliance Charts with demographic information about race, ethnicity and households in the locality as a whole *and* the Project Area.

Use the Census Information and Compliance Chart in the FORMS file, found in the ATTACHMENT tab

5) VERIFICATION OF LEVERAGING FUNDS

Include contracts, agreements, award letters, and other documentation which confirms the commitment of other funding to the project. Identify contact persons and contact information for other funds in the project.

6) MAPS

Include project area maps, site plans, etc. Maps should be coded to match the information contained in the proposal narrative. For example, mapped locations should list the street and be coded to show LMI status, level of blight, etc.

Information of more than one type may be included on one map if the combined information is clearly legible and comprehensible. Maps should contain the following:

- A scale which is clearly marked on the map;
- Boundaries of the locality (if applicable);
- Boundaries of the project or service area where activities will be concentrated;
- Location(s) of all proposed project activities, including water and sewer lines by type;
- Location and numbers / names of streets and route numbers leading to and in the target area;

- For projects involving housing rehabilitation, indoor plumbing provision, and/or water or sewer connections, provide the location of the impacted households within the project area. Indicate which units are LMI-occupied, which are vacant, which have unknown occupants, which are in need of rehabilitation or substantial reconstruction, which are to receive water or sewer service, which are to receive indoor plumbing, and so on.

7) NEED DOCUMENTATION

Include copies of surveys, needs assessments, PER's, and other documentation supporting the project's identified needs. If surveys were conducted, include a copy of the survey, the survey script, and a summary of survey responses. If sampling was used rather than surveying ALL households, explain the sampling methodology. The summary of responses should include information on ALL QUESTIONS asked, especially those indicating a willingness to participate in a program or desire for a service.

Previous surveys may be used if the survey was conducted after **March 31, 2012**, was for essentially the same project, and was developed in accordance with HUD Section 8 Income Limits or is clearly convertible to these limits.

Additional survey guidance and sample surveys are available online in the Survey Guidance document and the Needs Assessment document in Sample Documents in the FORMS file, found in the ATTACHMENT tab. Participation agreement samples may also be found in the User Agreements document.

As appropriate by project type, include other supporting documentation such as Ability to Pay calculations (for housing and comprehensive projects). Samples can be found in the FORMS file, found in the ATTACHMENT tab

Additionally, stakeholder involvement is critical and should be fully described in the Narrative section and supported by the attachment of community meeting information.

Below is an itemized list of suggested attachments:

☐ Copies of Survey Instrument – samples can be found in the CDBG Forms file in the ATTACHMENTS tab.

☐ Survey Results (tabulated)

☐ Documentation of Community Meetings (notices and advertisements for meetings, meeting minutes, sign-in sheets, etc)

☐ Environmental Review

☐ PER / PAR

8) PROJECT SPECIFIC

Comprehensive Community Development

A Neighborhood Needs Assessment is critical to the preparation of a CCD proposal. This Assessment will synthesize the input received from residents and other stakeholders from surveys and public meetings and the findings of professionally-prepared assessments of area

physical conditions into a single, detailed written summary of overall area needs. This Assessment must include information on general neighborhood characteristics and the condition of housing, water, sewer, streets, and drainage facilities. It should also include pertinent information on sidewalks/pathways, solid waste/garbage, debris removal, street lighting, recreation, police protection, fire protection, and any other areas of need whether educational, cultural, or environmental.

Complete required forms for other Project Types which are included in the Comprehensive Community Development proposal. For example, a Comprehensive project which includes a CDBG-funded water or sewer activity should also include narrative responses and attachments from the Community Facility section.

- ☐ Neighborhood Needs Assessment – Samples in the FORMS file, found in the ATTACHMENT tab
- ☐ Other supporting information including suggested and required documents from other Project Types which must be completed as part of a Comprehensive Community Development project.
- ☐ Participation Agreements – See the User Agreements document in the CDBG Forms file in the ATTACHMENTS tab.

Housing Rehabilitation

Include documentation on the housing inspection methodology and summaries of the inspection results. Also include documentation of beneficiary demand, landlord participation, and financing mechanisms.

- ☐ Summary of Inspections (tabulated). Samples and guidance on HQS can be found in the CDBG Forms file in the ATTACHMENTS tab.
- ☐ Ability-to-Pay Summary - see the CDBG Forms file in the ATTACHMENTS tab for a sample.
- ☐ Landlord Participation - see the User Agreements sample in the CDBG Forms file in the ATTACHMENTS tab.
- ☐ Housing Activity and Summary Table - see the Housing Activity and Summary Table in the CDBG Forms file in the ATTACHMENTS tab.
- ☐ Participation Agreements – See the User Agreements document in the CDBG Forms file in the ATTACHMENTS tab.
- ☐ Ability-to-Pay calculation - see the CDBG Forms file in the ATTACHMENTS tab for a sample.

HOUSING PRODUCTION

Include appropriate attachments to demonstrate the demand and plan for the production. The pro forma should be transparent to where the benefit of the CDBG investment to LMI persons should be easily seen.

- ☐ Market Study

- ☐ Pro Forma
- ☐ Development Plan
- ☐ Staffing and Operations Plan (rental) OR Plan for sale of units (homeownership)

Community Service Facility

- ☐ Market Study
- ☐ Needs Analysis
- ☐ Documentation of demand (surveys, etc)
- ☐ Floor plan or site plan for the facility
- ☐ Letters of commitment from program/service providers
- ☐ Draft operations and management plan – see the CDBG Forms file in the ATTACHMENTS tab for a sample.

Business District Revitalization

- ☐ Economic Restructuring Plan
- ☐ Signed Commitment Letters
- ☐ Blight identification/removal efforts
- ☐ Business Participation Table – under CDBG Forms file in the ATTACHMENTS tab.
- ☐ Other supporting information (e.g. documentation of need for loan pool, additional project area information, etc)

Other Economic Development

For projects with job creation or retention, include documentation on the needs of the businesses to be assisted and all business commitment letters. For site redevelopment projects, include an inventory of current structures in the project area and their uses, the target area boundaries, whether or not water/sewer services are currently available, documentation of existing health and or environmental issues, and local economic development strategies. For Development Readiness, document the existing barriers to development.

- ☐ Business Commitment Letter(s)
- ☐ Certification Letter from VEC or other partner
- ☐ Economic Development Strategy
- ☐ Documentation of existing health or environmental issues (Site Redevelopment)
- ☐ Site Inventory (Site Redevelopment)
- ☐ Documentation of development barriers (Development Readiness)

Community Facility

- ☐ User Agreements - see the CDBG Forms file in the ATTACHMENTS tab for samples.
- ☐ Approval Letters (for permitting, PER, etc)
- ☐ PER
- ☐ Survey Results Table – use the CF Survey Results table in the CDBG Forms file in the ATTACHMENTS tab.
- ☐ CDBG Rate Information Table – use the Rate Information table CDBG Forms file in the ATTACHMENTS tab.

9) ASSURANCES/CERTIFICATIONS

See the ASSURANCES AND CERTIFICATIONS form in the ATTACHMENTS tab. **This information is critical and must be included in your proposal.**

Each applicant must provide a copy of its Competitive Grant proposal to the local Planning District Commission for review. Include a copy of the transmittal letter here and any correspondence received from the Planning District Commission prior to proposal submission.

Also include a copy of a resolution passed by the local governing body of the applicant giving the chief administrative official authority to complete, sign, and submit this proposal. The resolution must contain the following:

- That the locality wishes to apply for Virginia Community Development Block Grant (CDBG) funds;
- The project type and title;
- The amount of CDBG funds requested;
- The amounts of local, state, or federal funds that are part of the total project cost;
 - That the chief administrative official is authorized to sign and submit all appropriate information necessary to apply for CDBG funding; and,
 - That citizen participation requirements have been met by holding at least TWO public hearings, advertising both as appropriate and with at least one other form of public notice.
 - That, in LMI benefit projects, the project will meet the National Objective of providing benefit to LMI persons and that there will be a specific projected number of LMI beneficiaries (number of jobs, number of houses improved, etc).

The resolution should also include special information related to certain project types:

For Regional projects – Include copies of resolutions from each locality authorizing participation. Also provide copies of the completed first page of the Competitive Grant forms from each locality which should reflect the same information from each locality but for the **MULTI-CONTRACT LIMITATIONS** and the **CERTIFICATION AND SIGNATURE**.

For projects with Business District Revitalization or Site Redevelopment products – Include statements acknowledging the requirement that CDBG slum and blight removal activities occur in accordance with Title 36, Article 7 of the *Code of Virginia* and that the locality will, if necessary during implementation, develop a Redevelopment or Conservation Plan and contract with a Virginia Redevelopment and Housing Authority to implement the plan.

For projects with Development Readiness products – Include the locality’s recognition that Development Readiness activities will be structured as a loan to the locality and its commitment to secure the CDBG investment through a bond, letter of credit, or other appropriate measures.

The executed Citizen Participation Assurances and Certification, General Assurances and Certification, Drug Free Workplace Assurances and Certification, and Applicant Disclosure Report should be included in this Attachment. The following is a checklist of items which should be included.

Refer to the CDBG Forms file in the ATTACHMENTS tab for templates and guidance for the items below.

- ☐ Local Government Resolution
- ☐ General Assurances and Certification
- ☐ Drug Free Workplace Assurances & Certification
- ☐ Applicant Disclosure Report
- ☐ Documentation of two Public Hearings
- ☐ Documentation of submission to Planning District Commission

PROJECT TYPES

COMPREHENSIVE COMMUNITY DEVELOPMENT PROPOSAL

Comprehensive Community Development (CCD) projects are projects that target substandard housing and at least one other eligible CDBG activity to address the needs within a small community. The emphasis of CCD projects is addressing the housing conditions of the community. Other activities may be undertaken as appropriate and as identified through a neighborhood needs assessment. These projects are not intended to primarily focus on deferred maintenance of infrastructure. Any CDBG activity must, on its own, qualify as being eligible for CDBG funds.

CCD projects that include at least two eligible significant activities (significant activities must amount to at least 20% of the CDBG budget) are eligible for up to \$1,000,000 in CDBG funding. Projects with three or more significant activities (significant activities must amount to at least 10% of the CDBG budget) are eligible for up to \$1,400,000.

Applicants for CCD projects must complete the CCD section, the Housing Rehab section, and any other sections that apply to their significant activities.

HOUSING PROPOSALS

HOUSING REHABILITATION

CDBG assistance is provided to improve LMI-occupied housing units to DHCD Housing Quality Standards. Housing projects targeting housing rehabilitation activities:

- Are eligible for up to \$1,000,000 in CDBG assistance.
- Must target housing rehabilitation needs within a single, well-defined project area.

Housing Rehabilitation proposals must include documentation that each unit targeted for rehabilitation has been inspected to some extent to assess potential rehabilitation costs. Housing inspections can range from a walk-through inspection of systems and components to a detailed, checklist-driven inspection of the entire house. The documentation appropriate for walk-through inspections is a table or spreadsheet identifying the house and the total estimated cost of rehabilitation overall and by system / component. The documentation appropriate for detailed DHCD Housing Quality Standard (HQS) inspections is a construction write-up and detailed cost estimate. Proposals with the most current cost estimates will be in a more credible position as DHCD evaluates the authenticity of project costs. Assistance is limited per house; see the Program Design for more information.

Housing Rehabilitation proposals should include documentation of the willingness of owner-occupants and investor-owners to participate in housing rehabilitation activities.

HOUSING PRODUCTION ASSISTANCE

CDBG assistance is available in support of the development of new single- and multi-family housing units targeted for low- and moderate-income persons. CDBG funding is applicable to most project

costs, including final design and construction costs, in projects which will adaptively reuse existing structures for housing. These projects are eligible for up to \$700,000 in CDBG assistance. In new construction projects, CDBG assistance is limited to the design and construction of site improvements. Funding for new construction must generally be obtained from local or other resources.

DHCD reserves the right to work only with select Housing Production projects that demonstrate true need and demand and which clearly show CDBG as an appropriate and necessary source of funds. Where CDBG funds will be used for the creation of new affordable housing units and will be utilized for onsite improvements, CDBG funds will only be available as a loan. The loan terms for projects using other funding mechanisms will be negotiated between the applicant and DHCD.

Housing Production proposals must include a Market Study which, among other items, identifies the target population of the housing units proposed and those within this population which will, or have expressed a strong interest in, taking occupancy of these units once completed.

All housing production projects must demonstrate a clear local need for additional housing units, provide evidence of significant local demand for the additional units, and target the development of housing units of a quality and quantity which will meet local needs and demands.

Housing Production proposals targeting rental units must show specific examples of various financing scenarios. These scenarios must demonstrate the impact on the LMI tenants' rent using differing terms for the CDBG funds in the project, including grant funds, loans at different rates and different terms, etc. *See the Program Design for more information.*

COMMUNITY SERVICE FACILITY

CDBG assistance is available up to \$700,000 for Community Service Facilities which are physical facilities targeting the provision of important services to low- and moderate-income persons and the greater community.

CDBG funds are not to be used to construct office and/or service delivery space for local or state operated entities (like DSS, VDH, etc.). Generic "community centers", such as facilities which offer recreation and general community meeting space, are a low priority for Virginia's CDBG Program. While eligible, these types of projects usually do not rank well in our competitive evaluation process. Projects must provide targeted, directed services and programs, for which there is documented need and demand, to predominately low and moderate income persons. We look for these types of projects and the services they provide to deliver palpable, measureable, positive change in the lives of the participants. *See the 2013 Program Design for additional information.*

COMPETITIVE ECONOMIC DEVELOPMENT PROPOSALS

Economic Development projects under the competitive round can address either the LMI National Objective (Job Creation and Development Readiness) or the Elimination of Slum and Blight Objective (Business District Revitalization and Site Redevelopment).

CDBG assistance is available under the following categories:

BUSINESS DISTRICT REVITALIZATION	Under this option, an applicant may target the revitalization of a downtown or other commercial district. Applicants must have in place an Economic Restructuring Plan to help ensure the long-term success and viability of the project. Applicants must provide a clear definition of what criteria they are using to classify “blight” and clearly show where the blight removal will take place within the project area. In order to be eligible for construction funding, applicants must demonstrate that at least 25 percent of the properties in the potential project area are physically blighted or have at least a 50% vacancy rate.
JOB CREATION AND RETENTION	<p>CDBG funding is available in support of the creation or retention of permanent, full-time jobs where at least 51% of the jobs involve the employment of LMI persons. Only projects involving commercial development or that will benefit a commercial enterprise, sheltered-workshop, or other non-basic industry should be submitted as a Competitive Economic Development project.</p> <p>The availability and amount of CDBG funding will depend upon the number of jobs projected to be created. In general, CDBG participation will be limited to \$10,000 per job. In situations where the local economy is diversified CDBG participation may be allowed up to \$25,000 per job.</p> <p>OFF-SITE CDBG funds may be invested for installation or expansion of off-site public infrastructure that is serving a site where an industry is locating or expanding. Applicants must prove a clear need for the off-site improvements and show justification for their scope and scale through a Preliminary Engineering Report and other analyses.</p> <p>ON-SITE CDBG funding is available for certain on-site improvements in support of a business creating jobs and completing private investment in an eligible locality. On-site CDBG assistance is offered to localities in the form of a loan and the locality is responsible for making the assistance available as a loan to assisted businesses.</p> <p>Competitive Grant proposals with on-site improvements are subject to underwriting (as assistance would be in the form of a loan to the applicant locality). Any locality applying for on-site assistance must request and complete an Appropriate Determination package and submit it to DHCD by February 24, 2013.</p>
SITE REDEVELOPMENT	This project category option targets sites which have been rendered unmarketable or unusable by previous uses and which have conditions having an impact beyond the boundaries of the site. CDBG assistance may be utilized to correct identified conditions, provided they are justified as blight in accordance with earlier guidance.
DEVELOPMENT READINESS	This category allows for the completion of improvements which will result in the future creation of businesses and job opportunities providing primary benefit to low- and moderate-income persons. The focus of this category is on removing barriers to economic investment, particularly in areas of distress.

For regional projects, please answer additional questions under JOB CREATION.

REGIONAL ECONOMIC DEVELOPMENT PROJECTS

If planning or implementation activities occur in or concern multiple localities they may be considered regional. For regional projects, one local government must be designated the lead locality and all participating localities must enter into a legally binding cooperative agreement. Non-industrial projects with a significant regional impact that result in job creation are eligible for up to \$1,200,000 in CDBG assistance. Please contact DHCD in advance if submitting an application for a regional economic development project. Complete the JOB CREATION portion of the Competitive Application and also respond to the following.

COMMUNITY FACILITY

Community facilities include water services and wastewater services. CDBG assistance under this option is generally targeted to projects involving water and wastewater improvements, particularly those involving new services to low- and moderate-income persons. Community Facility projects are eligible for up to \$1,000,000 of CDBG funding.

Proposals under the Comprehensive Community Development project type and which include water or sewer improvements must also complete this section.

Applicants which include water and/or sewer service activities in the design of a project, regardless of the project type, must meet the following requirements:

- Service must be made available to any house within the project area that is occupied by an LMI household located within 200' of the distribution (water) or collector (sewer) line provided the cost of installing said connection line does not exceed \$3,500. This service must be made available to said LMI household without cost to the household. This requirement does not apply to the monthly user fees based on the rates applicable to all customers.
- Water meters are required for each customer that connects to the CDBG supported utility line (mobile home park owners are considered a single customer);
- The CDBG investment per utility connection may not exceed an average of \$12,500 for water service or \$15,000 for sewer service.
- Low- and moderate-income persons cannot be charged an access fee for facilities developed using CDBG funding and neither are these fees CDBG-eligible expenses. The actual physical costs of connections will be eligible for CDBG funding.

APPENDIX A – CITIZEN PARTICIPATION

Refer to the CDBG Forms file in the ATTACHMENTS tab for templates and guidance for the items below.

For All Potential Local Government Applicants:

It is important that community development projects carried out wholly or in part with Virginia Community Development Block Grant (CDBG) funds involve extensive citizen participation during the proposal development process. Local citizen participation should be encouraged throughout the process of developing a Community Improvement Grant (CIG) proposal. In particular, participation by low- and moderate-income (LMI) residents of the project service area or a slum and blight area should be encouraged. Participation is encouraged prior to submitting a Planning Grant proposal, but there are no firm requirements.

The following steps, however, are required for each local government wishing to submit a Community Improvement Grant proposals, including both competitive round projects and projects being submitted under the open submission funds.

PUBLIC HEARING REQUIREMENT

At a minimum, at least **two public hearings** must be held during the CIG proposal development period.

- The two hearings must, at a minimum, be held **one week apart**.
- Advertisements for the two public hearing must be published separately. Applicants may not only publish one advertisement that includes information on both public hearings.
- Both public hearings must be held **within twelve months** of the application deadline (defined by DHCD in 2013 as after March 31, 2012). In the case of the same proposal being resubmitted from the prior competitive year, DHCD may waive the public hearing requirement on community development needs (first public hearing).
- Files must be maintained containing documentary evidence that the hearings were held, to include at a minimum a list of attendees, minutes of the hearings, and notices (2 types) of the public hearings.
- For **regional proposals**, each participating locality must hold two public hearings as described above.
- Applicants must provide timely written answers to written comments and grievances, within 15 working days where practicable.

Each hearing must be held after adequate notice as described below:

NOTICE OF PUBLIC HEARINGS

Advertisement must be made in a non-legal, locally-circulated newspaper with the largest general circulation at least seven days prior to each hearing. The public hearing notices must provide the address, phone number, TDD, and times for submitting comments and grievances to the applicant locality. If publishing in a weekly paper, be sure the ads are published in such a manner as to comply with the requirements outlined here.

At least one other type of announcement must be done for each public hearing (examples below), at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped.

- Advertisement through locally-received radio and/or television stations;
- Distribution of flyers in LMI areas and in the proposed service area(s);
- Announcements at local community organization meetings; or,
- Announcements through local churches and community centers located in LMI and proposed project areas.

FIRST PUBLIC HEARING

The first hearing must be held early in the CIG proposal development process to identify the applicant's community development and housing needs, the range of eligible project types funded through the CDBG program and the amount of money available to the applicant, as well as the applicant's past performance (if applicable) in the CDBG program during the previous five years. At a minimum citizens should be furnished with information concerning the amount of funds available (including program income) for proposed activities and the range of activities that may be undertaken, including the estimated amount to be used for activities that will benefit low- and moderate-income persons, the proposed CDBG activities likely to result in displacement, and plans for minimizing displacement of persons as a result of the CDBG project, and plans to assist persons actually displaced by the project.

Between the two hearings applicants must make available to the public a fact sheet or proposal summary that identifies the proposed activities and objectives for the project and identifies who will be affected by these activities. Citizens must have an opportunity to comment on this document.

SECOND PUBLIC HEARING

A second hearing must be held for public review of and comment on the final draft of the CIG proposal. A final draft or detailed fact sheet presenting the key activities and eligible benefits of the project must be available at the second public hearing, if not before.

ADDITIONAL CITIZEN PARTICIPATION REQUIREMENTS

Local citizens should be provided with reasonable and timely access to local meetings, information, and records relating to the applicant locality's proposed and actual use of CDBG funds. Meetings should be conducted according to the standards established for the public hearings cited below (#4). CDBG-related information and records must be made available to interested citizens with the availability of such items announced at least in the same manner as the public hearing advertisements.

Technical assistance must be provided to groups representative of persons of low- and moderate-income that request such assistance in developing proposals for use of CDBG funds. The level and type of assistance is determined by the applicant locality but must include at least consultation and written communication between a local contact person responsible for the CDBG proposal's development and interested groups. The name, address, and telephone number of the contact

person(s) must be made available upon request and announced at all public meetings held on the CDBG proposal.

Where 5 percent or more of public hearing participants can be reasonably expected to be non-English speaking residents, applicants must take measures to accommodate their needs. Census data on the proposed project area and on the locality as a whole should be consulted to determine if this provision applies in a particular instance. Meeting this provision requires, at a minimum, having printed material available in the non-English language(s) and retaining the services of an interpreter(s) for all CDBG-related meetings and public hearings.

An applicant with a current CIG project to which activities are to be added, deleted, or substantially changed (that is, substantial changes made in terms of purpose, scope, location, or beneficiaries) must provide local citizens through a public hearing with an opportunity for comment on such changes, after the locality has informed citizens of the changes at least seven days prior to the hearing.

Applicants must keep documentation of how they met the above requirement in their CDBG files for verification. This documentation should include:

- Documentation of the Public Hearing advertisements,
- Documentation of the second method used to notify citizens of the public hearings,
- List of attendees,
- Minutes from the first hearing showing:
 - Available funds,
 - Available activities,
 - Past use of CDBG funds,
- Minutes from the second hearing showing:
 - Description of proposed activities,
 - Plans to minimize displacement and assist displaced persons (if applicable), and
 - Any requested special accommodations.

None of the foregoing may be construed to restrict the responsibility or authority of the local government applicant in the development and execution of its Community Improvement Grant project.

PUBLIC HEARING ADVERTISEMENTS

These advertisements should be made in accordance with the Plan above.

Model Advertisement – First Public Hearing

(Locality) will hold a public hearing on (date) at (time) at (location) to solicit public input on local community development and housing needs in relation to Community Development Block Grant (CDBG) funding for a project in our community.

Information on the amount of funding available, the requirements on benefit to low- and moderate-income persons, eligible activities, and plans to minimize displacement and provide displacement assistance as necessary will be available. Citizens will also be given the opportunity to comment on (locality's) past use of CDBG funds. All interested citizens are urged to attend. For additional information, contact (local contact name and information).

Comments and grievances can be submitted in writing to (locality) at (address) or by phone at (phone number and TDD) until (cut-off date).

If you plan to attend and have any special needs requirements, please call the number listed above.

Model Advertisement – Second Public Hearing

(Locality) will hold a public hearing on (date) at (time) at (location) to solicit public input on the proposed Community Development Block Grant (CDBG) proposal to be submitted to the Virginia Department of Housing and Community Development for (project name). Residents of the project area are encouraged to attend. The (project name) proposal will include the following activities (list activities).

The draft CDBG proposal will be presented for comment along with information on projected beneficiaries, including the number of low- and moderate-income residents to benefit from the proposed project, and plans to minimize displacement. Citizens will also be given the opportunity to comment on (locality's) past use of CDBG funds. A fact sheet on the proposed project and the draft proposal is available at (location). For additional information, contact (local contact name and information).

Comments and grievances can be submitted in writing to (locality) at (address) or by phone at (phone number and TDD) until (cut-off date).

If you plan to attend and have any special needs requirements, please call the number listed above.